Dear River Club Owners, May 9, 2022

The Board of Directors approved to move forward with the building one stabilization and shoreline restoration project, based on the factors listed below.

**Fiduciary Responsibility**

*Duty of Loyalty, Duty of Care, Duty to Act within the Scope of Authority*

The River Club Board of Directors are your neighbors and are as invested in River Club as each one of you. We dedicate time, care, and concern with each of the many issues that come our way.

**Building #1 Drainage**

The approved drainage plan is the recommended option by a professional engineer. The current drainage that was put in place by a previous board does not meet county code and needs to be corrected. This has been confirmed through consultation with the Martin County Building Department.

**Building 1 Stabilization Factors**

* This issue was first documented by an engineering report that was requested and paid for by the Board of Directors in 2015. The board at the time did not act on the recommended helical pilings.
* In 2019 a report was provided by an engineer, MCR. The report recommended an upland retaining wall with the option of rip rap to stabilize the embankment.
* In 2021 MCR was asked to come back to inspect building one and the shoreline. At that time they were provided with the 2015 report which included the soil borings and visits were made to several units to inspect the various issues. The 2021 report by MCR recommended a higher capacity vinyl sheet upland retaining wall to stabilize the building and the embankment. It also stated rip rap would not be a viable option.
* In 2022 the board has engaged two separate engineers beyond MCR. One engineer recommended an upland retaining wall and also stated that rip rap would not be a viable option. The second engineer recommended helical pilings, maintaining their previous 2015 recommendation. This is an example of fiduciary responsibility and due diligence.
* The current Board of Directors has been consulting with our attorney. Our attorney has reviewed all three engineering reports and has deemed this project to be a ***maintenance exception***. The board has this in writing from the attorney. This letter is available on the website.
* The board is currently working on a plan to reduce the financial stress that this may place on the community. This will be presented to the community once the final bid is accepted and passed at a board meeting.
* It is the responsibility of the board to act when an issue has been presented and realizes it is the fiduciary responsibility of the board to act. NOT doing so puts the association at risk.

Sincerely,

Your Board of Directors; John Mears, Nancy Keough, Loretta Gill, and Kelly Schulz